



81-20000  
09-07

100 1 3 1981

Honorable William J. Casey  
Director  
Central Intelligence Agency  
Washington, DC 20505

Dear Mr. Casey:

On October 29, 1980, the Commissioner of the Transportation and Public Utilities Service, General Services Administration (GSA), forwarded the enclosed letter to all Federal executive agencies advising them of the failure of many air carriers to promptly refund unearned revenue for unused transportation purchased with Government Transportation Requests (GTR's). Our letter also urged agencies to bring the proper refund procedures to the attention of all of their transportation and travel activities. On November 19, 1980, the Inspector General for the General Services Administration wrote to the Inspectors General, or their equivalents, of 18 executive agencies, recommending that they review the refund procedures within their respective agencies to assure recovery of all refunds.

Simultaneously, we initiated several actions with the air carrier industry to induce them to return unearned revenues accumulated as a result of ticket exchanges and fare downgradings. Some carriers have been cooperative in refunding amounts due the Government even though agencies have not submitted to the carriers the Standard Form (SF) 1170 required by the Federal Property Management Regulations, 41 CFR 101-41-210. Through this effort, GSA has recovered over \$1.8 million from the air carrier industry. However, because the airlines are not aware of refunds due the Government in instances where flight coupons or entire tickets are not used at all, and are held by the traveler or agencies, our efforts with the airlines have only been effective in instances of ticket exchanges or fare downgradings. Refunds for entirely unused coupons/tickets can be recovered only if the agency submits an SF 1170 to the ticketing carrier.

In response to growing Congressional interest in this matter, representatives of the General Accounting Office, during the week of August 31, 1981, conducted onsite reviews of the records of four air carriers. Their preliminary findings seem to confirm the earlier findings of the Civil Aeronautics Board, that the airlines are in possession of up to \$8 million which properly is due the Government. It is obvious that the collective efforts of the agencies in searching past records and in identifying and applying for refunds, have been only marginally effective.

2

Accordingly, I am requesting your assistance in this recovery effort by having your agency's staff search your travel voucher/transportation payment records for the past 6 years (the period covered by the applicable Statute of Limitations). In each instance where a refund is due the Government, you should prepare the necessary SF 1170, specifying thereon the reason for the refund (i.e., unused coupons/tickets, ticket exchange, fare reduction, itinerary change). Unused coupons and tickets should be attached to the applicable SF 1170. Finally, you should forward all SF 1170's and supporting documents to the General Services Administration, Office of Transportation Audits (Attn: TADX), Transportation and Public Utilities Service, Washington, D.C. 20406. GSA will initiate formal recovery action on behalf of your agency.

I realize that this will require a considerable effort by your agency. However, in view of the amounts of money at issue, the growing interest of the Congress, and the absence at GSA of the data needed to detect unused transportation from documents which you send to us for postpayment audit, your assistance is a necessary precedent for centralized recovery by GSA.

I would appreciate your advising the Assistant Commissioner, Office of Transportation Audits, within 30 days of your agency's implementation of this request and of your estimated completion date for this project. Your response should be forwarded to the address shown above.

The GSA project officer, Mr. Chester Martin, can be reached on FTS 8-275-5083.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ray K. Lue".

Enclosure



October 29, 1980

(Addressee)

The Civil Aeronautics Board (CAB) recently brought to our attention a matter of mutual concern whereby certain air carriers have failed to promptly refund unearned revenue accumulated as a result of unused transportation or accommodations purchased with Government Transportation Requests (GTR's). Since this involves the potential for the loss of Government travel funds and in light of the continuing constraints imposed on all agencies' travel budgets, we are apprising you of the procedures that apply in this case and requesting that you initiate whatever steps are necessary to help correct this problem.

Procedures set forth in the Federal Property Management Regulations, 41 CFR 101-41.210 (copy enclosed), provide that carriers shall make prompt refund for unused transportation when requested on Standard Form (SF) 1170. The accumulation of unearned revenue reported by the CAB indicates that in some instances requests for refund are not being initiated and processed by agency travel and transportation activities.

The airlines honor GTR's and issue tickets predicated upon the authorized services or accommodations stipulated thereon and tender their invoices for payment accordingly. Any adjustment in travel services or accommodations, subsequent to the issuance of an airline ticket, which results in services or accommodations furnished of a lesser value than those originally requested on the GTR, causes an overpayment to the airline.

Overpayments generally are caused by the following conditions:

- when official travel is terminated short of the named destination;
- when the return portion of a round-trip ticket is not used;
- when a ticket is canceled in its entirety; and,
- when services furnished are different or of a lesser value than those authorized.

An agency must file an SF 1170 with the carrier to recover paid excess transportation costs. The procedures contained in the Federal Property Management Regulations, 41 CFR 101-41.210, covering unused transportation refund procedures should be brought to the attention of all travel and transportation activities within your purview. The adherence by your agency to prescribed rules and regulations and the timely filing of SF 1170's will alleviate the accumulation of unearned revenue by carriers.

If there are any questions concerning this matter or further information is required, your staff should contact Mr. Lester Finotti on (202) 275-1066.

Sincerely,

(signed ALLAN W. BERES)

ALLAN W. BERES

Commissioner Approved For Release 2003/05/27 : CIA-RDP84B00890R000800090034-6

Enclosure

STAT

Approved For Release 2003/05/27 : CIA-RDP84B00890R000800090034-6

Approved For Release 2003/05/27 : CIA-RDP84B00890R000800090034-6